



city of san luis obispo

990 Palm Street/Post Office Box 8100 • San Luis Obispo, CA 93403-8100

January 22, 1993

Federal Communications Commission
1919 M Street NW
Washington, D.C. 20554

Dear Commissioners:

It is our understanding that the Federal Communications Commission is seeking comment on the rule-making proceeding currently underway for establishing the definition of basic cable service and the formula for regulating basic cable service rates. The City of San Luis Obispo, California strongly urges you to consider the following comments:

■ Definition of Basic Cable Service

It is our understanding that the Federal Communications Commission's (FCC) generally accepted definition for basic cable service has been all over-the-air broadcast stations and public access stations. As part of the rule making process, the City would like to strongly urge the FCC to expand this definition for the purposes of rate regulation.

The City of San Luis Obispo is located in the middle of the State of California. Because of the State's mountainous topography, all but one of our stations must be brought in by satellite or microwave. Consequently, without an expanded definition for basic cable service, the City of San Luis Obispo will only be in the position to regulate one broadcast station and public access stations. Clearly, this was not the intent of the recently enacted cable consumer protection legislation.

As a result, the City would like to propose that the basic tier be defined by a minimum number of stations (twelve) and composed of the three major networks, a combination of imported broadcast stations (to allow us to receive programming from Los Angeles, San Francisco, etc.), at least one educational station (e.g., PBS), and one public access station. By taking this approach, the City would be able to regulate a meaningful tier of cable service and meet the spirit of the cable consumer protection legislation.

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The City of San Luis Obispo is committed to include the disabled in all of its services, programs and activities. Telecommunications Device for the Deaf (805) 781-7410.

■ **Formula for Calculating Basic Cable Rates**

It is our understanding that the FCC is currently considering two formulas for regulating rates; the "benchmark" approach and the "cost based" approach. The City of San Luis Obispo strongly favors the "cost based" approach. We recognize that setting rates based on a cable system's costs of operation is more onerous for the FCC. However, the "cost based" approach is much more equitable to the cable consumer as well as the cable operator. Under the "cost based" approach, the cable consumers are only asked to pay for the level of service they receive and cable operators still have an incentive to invest in their systems.

The cable consumer protection legislation represents the first step toward protecting the public from ever-escalating cable rates. The FCC must now give local government the tools to make the legislation meaningful.

We thank you in advance for your consideration of our perspective on these important matters.

Sincerely,



John Dunn
City Administrative Officer

cc City Council